

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

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*In the Matter of:*  
Redmon Post Office  
Redmon, Illinois

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Docket No. A2011-92

UNITED STATES POSTAL SERVICE  
COMMENTS REGARDING APPEAL  
(November 18, 2011)

On September 27, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked September 22, 2011, from Jim Cooper, Mayor of Redmon, Illinois, (Petitioner) objecting to the discontinuance of the Post Office at Redmon. Enclosed within the Petitioners' appeal were forty one other standard form appeals from customers of the Redmon Post Office. On September 29, 2011, the Commission issued Order No. 884, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 884, the administrative record was filed with the Commission on October 12, 2011. Petitioner Cooper filed supplemental comments with attachments in support of the petition on November 3, 2011. The Commission received no additional written communications from any other customers of the Redmon Post Office.

The appeal received by the Commission on September 27, 2011, raises three main issues: (1) impact on effective and regular postal services to the community, 2) the effect of the closing on the community, and 3) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and

Commission precedent,<sup>1</sup> the Postal Service gave consideration to a number of other issues, including the impact upon postal employees.<sup>2</sup> Accordingly, the determination to discontinue the Redmon Post Office should be affirmed.

### **Background**

The Final Determination To Close the Redmon, Illinois Post Office and Continue to Provide Service by Rural Route Service (FD), see Item 47<sup>3</sup>, as well as the administrative record, indicate that the Redmon Post Office provides EAS-11 level service to 100 Post Office Box customers, and approximately 4 retail customers for approximately 4 minutes per day. Item 47, FD at 2, 9; Item 1, Authority to Conduct Investigation Memo; Item 8, (Form 150) Postmaster Workload Information; Item 10, Window Transaction Survey; Item 13, OIC Response to Request for numbers; Item 18, Form 4920, Post Office Closing or Consolidation Proposal Fact Sheet (Fact Sheet); Item 42, Revised Fact Sheet. The postmaster of the Redmon Post Office retired on May 1, 2010. Item 47, FD at 2, 7, 8; Item 18, Fact Sheet; Item 42, Revised Fact Sheet. Since then, a non-career employee was installed as the temporary officer-in-charge (OIC). Item 47, FD at 2, 7, 8. Upon implementation of the final determination, the noncareer employee serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby postal facility. Item 47, FD at 7, 8. The average number of daily retail window transactions at the Redmon Post Office is four, accounting for approximately four minutes of work each day. Item 47, FD at 2; Item 10, Window Transaction Survey. Revenue has generally

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<sup>1</sup> See 39 U.S.C. 404(d)(2)(A).

<sup>2</sup> Petitioner challenges the FD on grounds that the Postal Service did not consider “other factors.” This category does not require analysis, however, unless special circumstances so warrant.

<sup>3</sup> In these comments, specific items in the administrative record are referred to as “Item \_\_\_\_.”

been low: \$9,955.00 in FY 2008 (26 revenue units); \$9,719.00 in FY 2009 (25 revenue units); and \$12,202.00 in FY 2010 (32 revenue units). Item 47, FD at 2; Item 18, Fact Sheet; Item 42, Revised Fact Sheet. The Redmon Post Office has no meter or permit customers. Item 47, FD at 2; Item 15, Post Office Survey Sheet at No. 6; Item 18, Fact Sheet at boxes 14. f., g; Item 42, Revised Fact Sheet. The projected annual household growth rate is -31%. Item 16, Community Survey Sheet. The Postal Service estimates annual savings through closure of the Redmon Post Office in the amount of \$37,630. Item 47, FD at 7; Item 33, Proposal at 8; Item 41, Revised Proposal at 8. This includes \$6,100 in savings that will be achieved when Lease for the premises expires, or is otherwise terminated. Item 47, FD at 7; Item 33, Proposal at 6; Item 41, Revised Proposal at 8.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Paris Post Office, an EAS-20 level office located approximately nine miles away, which has two hundred fifty seven available Post Office Boxes. Item 47, FD at 2, 8; Item No. 18, Fact Sheet at box 19; Item 33, Proposal at 2, 8; Item 41, Revised Proposal at 2, 8; Item 42, Revised Fact Sheet at box 19. Customers will receive delivery to rural boxes or cluster box units (CBUs) at their 911 assigned address. Item 47, FD at 2-6, 8; Item 33, Proposal at 2-6, 8; Item 41, Revised Proposal at 2-6, 8. This service will begin upon implementation of the FD. Item 47, FD at 2, 8. In addition, retail service is also available at the Brocton Post Office, an EAS-11 level office located approximately six miles away from Redmon, Illinois. Item 47, FD at 2; Item No. 18, Fact Sheet at box 20; Item 42, Revised Fact Sheet at box 20. Finally, customers can also apply to receive Post Office Box service at

either the Paris Post Office or the Brocton Post Office. Item 47, FD at 2-3; Item 33, Proposal at 2; Item 41, Revised Proposal at 2.

The Postal Service followed the proper procedures, which led to the posting of the FD. All issues raised by the customers of the Redmon Post Office were considered and properly addressed by the Postal Service. See Item 47, FD at 2-6. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. First, notice and questionnaires were distributed to delivery customers of the Redmon Post Office. Item 47, FD at 2; Item 20, Letter to OIC; Item 21, Letter and Questionnaire to Customer; Item No. 22, Returned Questionnaires. Questionnaires were also available over the counter for retail customers at Redmon. Item 47, FD at 2; Item No. 20, Letter to OIC. In the letter from the Manager of Post Office Operations, Bedford Park, Illinois, which was mailed and made available to postal customers, customers were advised that the Postal Service was evaluating whether the continued operation of the Redmon Post Office was warranted, and that effective and regular service could be provided through rural route delivery administered by the Paris Post Office and retail services available at the Paris and Brocton Post Offices. Item 21, Letter. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service that they were receiving and the effects of a possible change involving rural route delivery. Id. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item 22.

In addition, representatives from the Postal Service were available at the Redmon Post Office for a community meeting on May 5, 2011, to answer questions and

provide information to customers. Item 47, FD at 2;<sup>4</sup> Item 21, Letter to Customers; Item 24, Community Meeting Roster; Item 25, Community Meeting Analysis; Item 26, Letter to Customer; Item 33, Proposal at 2; Item 41, Revised Proposal at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. Item 31, Letter to OIC on posting Proposal; Item 36, Round-date stamped Proposal at 1, 9-11, 19-20; Item 48, Letter to OIC on posting FD; Item 49, Round-date stamped FD at 1, 9, 17. The Proposal was posted with an invitation for public comment at the Redmon Post Office, the Paris Post Office, and the Brocton Post Office from May 20, 2011 to July 21, 2011. Item 47, FD at 2; Item 36 at 1, 9-11, 19-20. The FD was posted at the same three Post Offices starting from August 24, 2011<sup>5</sup> to September 26, 2001, as confirmed by the round-dated FD cover sheets that appear in the administrative record. Item 48, Letter to OIC on posting FD; Item 49, Round-date stamped FD at 1, 9, 17.

In light of the facts that were discovered during the investigation and which are cited above, including the postmaster vacancy, minimal workload, low office revenue, the variety of delivery and retail options (including the convenience of rural delivery and retail service), very little recent growth in the area, minimal impact upon the community, and the expected financial savings, the Postal Service issued the FD, concluding that the Redmon Post Office would be closed. See Item 47, FD. Regular and effective postal services will continue to be provided to the Redmon community in a cost-effective manner upon implementation of the final determination. Item 47, FD at 2, 8.

Each of the issues raised by the Petitioner is addressed in the paragraphs that follow.

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<sup>4</sup> The FD and the Proposal incorrectly state the date of the meeting was May 6, 2011.

<sup>5</sup> The FD was posted as early as August 23, 2011 in both Paris and Brocton. See Item 49 at 9, 17.

## **Effect on Postal Services**

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Redmon Post Office on postal services provided to Redmon, Illinois customers. The closing is premised upon providing regular and effective postal services to Redmon customers through alternate means.

The Petitioner, in his letter of appeal, raises the issue of the effect on postal services of the Redmon Post Office's closing and requests its retention. The Petitioner expresses particular concern about customers being forced to have rural delivery instead of Post Office boxes<sup>6</sup> and having to drive nine miles for retail services.

In the Proposal and FD, the Postal Service explained that with respect to delivery service, customers will still have the option of having Post Office Box service at either the Paris Post Office, which has two hundred fifty seven available Post Office Boxes and is nine miles away, or the Brocton Post Office, which has eighty four available Post Office Boxes and is six miles away. Item 47, FD at 2-3; Item 33, Proposal at 2; Item 41, Revised Proposal at 2. In addition, the Postal Service explained that upon implementation of the final determination, it planned to provide delivery services by rural route delivery administered by the Paris Post Office.<sup>7</sup> Item 47, FD at 2-6, 8; Item 33, Proposal at 2-6, 8; Item 41, Revised Proposal at 2-6, 8. Therefore, Redmon customers will have delivery options.

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<sup>6</sup> In his Participant Statement, Petitioner suggests that Post Office boxes are also preferable because if the Postal Service is authorized by Congress to change to 5-day delivery, customers with Post Office boxes would still get mail on Saturdays. Since Congress has not authorized 5-day delivery, this is not a real concern at this time. Even so, customers will have the option of obtaining a Post Office box at another facility if they prefer such service.

<sup>7</sup> Some Redmon customers responded favorably to the idea of the rural delivery option. See Item 22, Customer Questionnaire Responses at 13, 89, 98, 156.

In the Letter to Customers that accompanied the initial investigation questionnaires, as well as in the Proposal and FD, the Postal Service explained that with respect to retail services currently provided at the Redmon Post Office, such services will be available from the carrier, so that customers will not have to travel to another post office for service. Item 21 at 1, 4; Item 47, FD at 2, 4-6, 8; Item 33, Proposal at 2, 4, 6-8; Item 41, Revised Proposal at 2, 4, 6-8. Most transactions do not require meeting the carrier at the mailbox. Id. For example, special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD may be handled by the carrier by leaving a note in the mailbox, along with the appropriate payment. Id. The carrier will provide the services that day and leave a customer receipt in the mailbox on the next delivery day. Id. Customers may also print their own postage (often for discounted rates) with tracking and insurance at usps.com, and have the carrier pick up the packages or other items. In addition, Stamps by Mail and Money Order Application forms are available for customer convenience. Id. Through the Stamps by Mail program, customers have the ability to purchase stamps (including commemorative and collectibles), envelopes and postal cards by addressing the postage paid order form, enclosing payment by personal check or money order, and mailing it or leaving it in their mailbox for carrier pick up. Id. Most Stamp by Mail orders are processed overnight, and some are processed immediately. Id.

Moreover, the customers of Redmon will have access to the Brocton Post Office, which is located approximately six miles away, or the Paris Post Office, which is approximately nine miles away, if they prefer to conduct their postal business in person at a post office. Item 47, FD at 2; Item 33, Proposal at 2; Item 41, Revised Proposal at

2. There are also two other retail offices within ten miles of Redmon, namely in Kansas, Illinois and in Oakland, Illinois. Item 47, FD at 2; Item 4, Highway Map of Community; Item 33, Proposal at 2; Item 41, Revised Proposal at 2.

In his letter of appeal, Petitioner raises the concern that the Brocton Post Office is under review for possible closure. While this may be true, there has been no final determination to close the Brocton Post Office as of this time. The Brocton Post Office is simply one of the many postal locations that are being studied. In addition, the customers of the Redmon Post Office have an opportunity to comment on the closing of the Brocton Post Office before a final determination is made. Therefore, because the Brocton Post Office is still operating and because the customers of Redmon will also have access to other neighboring post offices and many postal services through the rural carrier if the Redmon Post Office is closed, the effective provision of postal services to the Redmon customers will not be significantly impacted.

The Petitioner, in his letter of appeal, also offered suggestions on how the Postal Service could continue to operate the Redmon Post Office. For example, the Petitioner suggested that 1) the Redmon Post Office be opened for only 4 hours a day, 2) the regulation regarding No Fee Boxes be removed and customers be required to pay the yearly fee, and 3) the current OIC, who Petitioner claims lives next to the Paris Post Office, could pick up the mail for Redmon customers in Paris, bring it to town, and then take the outgoing mail back on a daily basis. These suggestions were not raised prior to issuance of the Proposal or FD. In supplemental comments, Petitioner also suggests that the Postal Service's FD is arbitrary, based on the fact that other neighboring post offices in this rural area are also under investigation for possible closure without any



consideration of going to reduced hours or the distance that customers will have to drive to get to a Post Office.

While Petitioner's suggestions are appreciated, the Postal Service has broad experience with respect to the provision of regular and effective service, as well as in-depth knowledge of the rules and regulations within which it must operate. The Postal Service gave thoughtful consideration in making its decision to discontinue the Redmon Post Office, as evidence in the Administrative Record. Such consideration is entitled to deference unless it is shown to be arbitrary, capricious, an abuse of discretion, not in accordance with the law, not in accordance with procedure, or unsupported by substantial evidence. No such showing can be made here.

Specifically, the Postal Service investigated the workload at the Redmon Post Office and learned that this office averages only four retail customer transactions per day, amounting to approximately four minutes of work. Item 47, FD at 2; Item 10, Window Transaction Survey. As such, reducing the hours of the Redmon Post Office to 4 hours per day, as suggested by Petitioner, does not fully address the inefficiency of continuing to operate the Redmon Post Office. The Postal Service considered the availability of convenient retail services to the customers of Redmon and concluded that between the services that can be offered by the rural carrier, the services that can be obtained on-line and by mail, and the services that will be available at the neighboring Post Offices, the customers of Redmon will have various convenient retail service options available.

Petitioner suggests that the Postal Service rescind its "no fee" regulation under which customers may qualify for what is known as "Group E," free Post Office Box

service, if the Postal Service does not provide carrier delivery to a mail receptacle at or near their physical address. See DMM at 508.4.6. This regulation enables the Postal Service to provide regular and effective service to the public. Petitioner's suggestion as to what could be considered to save the Redmon Post Office does not take into account the potentially negative impact such change would have on others throughout the country. In fact, even some customers of Redmon indicated that they cannot afford additional expenses at this time. See Letter of Appeal at Exhibits 2C, 2E, 2F, 2G, 2H, 2N, 2O, 2P, 2Q, 2R, and 2MM. Moreover, the amount of revenue that could be raised by charging the current Post Office box customers of Redmon for that service would not necessarily be enough to cover the annual cost to operate the Post Office or to improve the overall efficiency of the Postal Service. As such, this suggestion creates broad, practical concerns that are simply outweighed by the alternatives that the Postal Service noted are available for Redmon customers.

The Postal Service has investigated the alternatives but has determined that rural route service is the most reliable and cost-effective solution for providing regular and effective service to the Redmon community. The practical concerns with the Petitioner's suggestions outweigh the Postal Service's conclusion in the FD.

In addition to Petitioner's comments, his letter of appeal attached comments and concerns from other customers in the Redmon community about effective mail service. See Exhibits 2A-2OO. In general, these customers raised concerns about 1) the cost and inconvenience of traveling to another town to obtain postal services, and 2) the security and safety of the mail delivered to rural boxes. The Postal Service considered and addressed these concerns prior to issuing the FD.

In the Letter to Customers that accompanied the initial investigation questionnaires, as well as in the Proposal and FD, the Postal Service explained that with respect to retail services currently provided at the Redmon Post Office, such services will be available from the carrier, so that customers will not have to travel to another post office for service. Item 21 at 1, 4; Item 47, FD at 2, 4-6, 8; Item 33, Proposal at 2, 4, 6-8; Item 41, Revised Proposal at 2, 4, 6-8. In addition, the Postal Service advised the customers that many postal services are now available on-line or through Stamps by Mail. Id. Further, with respect to the delivery of accountable items or large parcels, if customers choose rural delivery service, the Postal Service explained that if the customer lives less than one-half mile from the line of travel, the carrier will attempt delivery of accountable items and large parcels to the customer's residence. Item 47, FD at 3-4. If the customer lives over one-half mile away or is not home when delivery is attempted, a notice will be left in the mailbox. Id. Large parcels will be left outside the mailbox or at a location designated by the customer (if authorized by the customer), or a notice will be left in the mailbox. Id. Attempted delivery items will be taken back to the Post Office. Id. Customers may pick up the item at the Post Office or request redelivery online at usps.com or by calling 1-800-ASK-USPS. Id.

With respect to security of the mail, in the Proposal and FD, the Postal Service explained that upon the discontinuance of the Redmon Post Office, customers will be provided with curbside delivery to rural boxes or cluster box units (CBUs) at the customers' 911 assigned address. Item 47, FD at 2-6, 8; Item 33, Proposal at 2-6, 8; Item 41, Revised Proposal at 2-6, 8. Customers were advised that they may lock their mailboxes so long as the mailbox has a slot large enough to accommodate the

customers' normal daily mail volume. Item 47, FD at 3, 6; Item 33, Proposal at 3, 6-7; Item 41, Revised Proposal at 3, 7. In addition, CBUs provide the security of individually locked mail compartments and parcel lockers provide secure, convenient parcel delivery for customers. If CBUs are installed, the Postal Service will maintain them. Moreover, the records of the Postal Inspection Service do not indicate any reports of mail theft or vandalism in the area. Item 14, Response to Request for reports of mail theft or vandalism. As such, there appears to be minimal risk that the security of the customers' mail will be impacted by the closing of the Redmon Post Office.

With respect to concerns raised about safety of mail delivery to rural boxes, while not directly addressed in the record, the Postal Service notes that safety of customer access is routinely considered in connection with evaluating curbside delivery options. Specifically, Postal Operations Manual § 631.32 provides that "Delivery may be provided to boxes at the curb so they can be safely and conveniently served by the carrier from the carrier's vehicle, and so that customers have reasonable and safe access. Mail receptacles may be grouped, two to a property line where possible." Similarly, if CBUs are utilized, while not directly addressed in the record, the Postal Service notes that safety of customer access is routinely considered in connection CBU placement. Specifically, Postal Operations Manual § 631.441 provides that: "CBUs may be approved for use at one or more central delivery points in a residential housing community. The local postal manager must approve the mailbox sites and type of equipment. Boxes must be safely located so that customers are not required to travel an unreasonable distance to obtain their mail." In the Participant Statement, Petitioner indicates that his friends in Tuscola report that their mail gets wet and snow piles up in

front of the CBU, and as a result, they do not like the CBU. While it has not been specifically determined whether the Redmon customers will have CBUs or individual rural mailboxes, if CBUs are used and any such problems should occur in Redmon (or elsewhere), the customers should promptly report it to the Postal Service so that it can be addressed.

To summarize, the Postal Service has considered the impact of closing the Redmon Post Office upon the provision of postal services, including the deliver and security of incoming mail and the access to services, on Redmon customers. Customers will receive incoming mail at a rural mailbox or CBU, both of which provide a secure receptacle for mail delivery. Customers will have a variety of retail options for outgoing mail through the rural carrier, on-line, and at nearby Post Offices. As a result, the Postal Service has properly concluded that the Redmon customers will continue to receive regular and effective service, including for outgoing packages and incoming mail, via rural route delivery and nearby Post Office locations upon the closure of the Redmon Post Office.

### **Effect upon the Redmon Community**

The Postal Service is obligated to consider the effect of its decision to close the Redmon Post Office upon the Redmon community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Redmon is an incorporated community located in Edgar County, Illinois. Item 47, FD at 5. The community is administered politically by the Redmon Village Board. Id. Police protection is provided by the Edgar County Sheriff. Id. Fire protection is provided by the Redmon Fire Department. Id. The community is comprised of farmers, retirees, and those who commute to work at nearby communities and may work in local businesses. Id. The questionnaires completed by Redmon Post Office customers indicate that, in general, those who reside in Redmon must travel elsewhere for other supplies and services. See generally Item 22, Returned customer questionnaires.

In the attachments to Petitioner's letter of appeal, customers raise the issue of the effect of the closing of the Redmon Post Office upon their community since the Post Office is the place where they meet, share information, and have a community bulletin board. The effect on the community generally was considered by the Postal Service, as reflected in the administrative record. Item 47, FD, at 5-6. The Postal Service acknowledged that while customers require regular and effective postal services, such services will always be provided to the community, whether through the rural carrier or the neighboring Post Office. Id. The Postal Service further explained that a community's identity derives from the interest and vitality of its residents and their use of its name. Id. The Postal Service is helping to preserve this community's identity by continuing to use the Post Office name in addresses and in the National Five-Digit Code and Post Office Directory. Id. In addition, the Postal Service has concluded that nonpostal services provided by the Redmon Post Office can be provided at another location in town. Id.

In his Participant Statement, Petitioner states that the Postal Service has never delivered mail in Redmon, other than to Post Office boxes, and that it will break tradition to have a rural delivery system. The Postal Service explained, however, that rural letter carriers perform a vital function and serve thousands of families and businesses across the country. Item 47, FD at 3. Rural letter carriers are highly respected by the American public and they have earned this respect through years of dedication to the Postal Service and postal customers. Id. During national and local emergencies, rural carriers have demonstrated great responsibility in serving communities through the provision of regular and effective postal services. Id. As such, rural carriers will not have a negative effect on the community. Rather, as demonstrated in other rural areas throughout the country, their addition to the community will be positive.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Redmon Post Office on the community currently served by the Redmon Post Office.

### **Economic Savings**

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Redmon Post Office and would still provide regular and effective service. Item 47, FD at 7-8. The estimated annual savings

associated with discontinuing the Redmon Post Office are \$37,630.00.<sup>8</sup> Item 47, FD at 7.

In his Participant Statement, Petitioner challenges the FD on grounds that the small amount of savings that will be achieved by discontinuing the Redmon Post Office. In his letter of appeal, Petitioner states that the savings achieved by closing small rural Post Offices would only be less than one percent of the Postal Service's entire operational budget. While this may seem insignificant to Petitioner, it is significant to the overall cost reduction focus of the Postal Service. The Postal Service is looking at all opportunities to operate efficiently and provide effective and regular service. While the savings from any given initiative may seem small, these savings can make a difference when added together.

In both his letter of appeal and Participant Statement, Petitioner provides his own calculations and concludes that the Postal Service will actually be spending more to provide service to the Redmon community if the Redmon Post Office is discontinued. Unfortunately, his calculations include assumptions and figures that are not supported by the record. For example, Petitioner suggests that the Postal Service could continue to operate the Redmon Post Office through an OIC for 4 hours per day at an annual salary of \$13,581. If the Redmon Post Office is not discontinued, however, the Postal Service would need to allow the Postmaster position to be filled permanently by an

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<sup>8</sup>This amount includes \$6,100 in anticipated Lease cost savings. Petitioner correctly points out that the current Lease for the Redmon Post Office does not have a 30-day termination clause. The Postal Service acknowledged this fact and that it was researching other details of the Lease. See Item 18, Fact Sheet at boxes 16a. and 16.b; Item 42, Revised Fact Sheet at boxes 16.a. and 16.b. Even if the Postal Service cannot immediately realize these Lease cost savings, the Postal Service would still have short-term estimated savings of \$31,530, and would achieve the long-term benefit once the Lease expires or is otherwise terminated.



employee who would be paid at least the minimum salary and benefits, which are approximately \$44,000 per year. See Item 47, FD at 8. Petitioner's calculation also assumes that the Postal Service could retain the Redmon Post Office but no longer offer free Post Office boxes to the customers who do not have access to home delivery, which as discussed above, could place a financial burden on some customers and is not likely to be adopted based on its potential impact on universal service requirements. Furthermore, Petitioner's calculation assumes that if the Redmon Post Office is discontinued, the Postal Service will lose the current income from retail sales. This assumption ignores the fact that the rural carrier can provide the same retail services and generate the revenue from customer transactions.

Finally, Petitioner challenges the calculation method for the replacement service by a rural carrier and instead suggests that cost would be significantly higher. The Postal Service calculated the costs in accordance with its internal guidelines with respect to the additional office time for the rural carrier and additional travel related expenses. While the Postal Service did not account for any additional daily miles to be added to the rural route in its Rural Route Cost Analysis Form, see Item 17 at 2, the Postal Service also did not list as part of the anticipated savings the current mail transportation costs associated with a highway contract route driver coming to the Redmon Post Office for daily mail delivery and outgoing mail pick-up. Moreover, the Postal Service took into account the fact that the current rural carrier route out of Paris, Illinois that will be extended to cover Redmon customers, already travels near Redmon and could be structured so as to minimize vehicle and fuel expenses. Item 47, FD at 2-3, 8. In his Participant Statement, Petitioner admits that the residents of Redmon live

within ¼ mile of the current Redmon Post Office location, which supports the finding that the rural carrier mileage associated with the route extension will not be significant, even if CBUs are not utilized. As such, the Postal Service does not anticipate that the cost to extend the rural carrier service will exceed the current cost of the highway contract route driver coming to the Redmon Post Office.

In the Participant Statement, Petitioner suggests that it is impermissible for the Postal Service to close the Redmon Post Office because it operates at a deficit. Petitioner's Exhibit 9 acknowledges, however, that it is only impermissible for the Postal Service to justify a closure on the fact that a post office operates at a deficit if none of the permissible circumstances are also present. Here, the economics of operating the Redmon Post Office was only one factor leading to the final decision. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining." In this case, the Postal Service analyzed, among other factors, the Redmon Post Office's workload and revenue. The economic savings have been calculated as required for discontinuance studies consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). Item 47, FD at 7. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office. In the end, the Postal Service determined that rural carrier service is more effective than maintaining the Redmon postal facility and postmaster position. Item 47, FD at 7-8. The Postal Service's

estimates are supported by record evidence, and are in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

### **Effect on Employees**

As documented in the record, the impact on postal employees is minimal. The postmaster retired on May 1, 2010. Item 47, FD at 2, 7-8; Item 33, Proposal at 2, 8; Item 41, Revised Proposal at 2, 8. A non-career employee was installed as the temporary officer-in-charge (OIC). Id. Upon implementation of the final determination, the non-career employee serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby postal facility. Item 47, FD at 7-8. However, no other Postal Service employees will be adversely affected. Id. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Redmon Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

### **Conclusion**

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Redmon Post Office on the provision of postal services and on the Redmon community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Redmon customers. Item 47, FD at 8. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Redmon Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Redmon Post Office be affirmed.

Respectfully submitted,

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